GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2109
ANSWERED ON:04.08.2000
SECOND PHASE OF LIBERALISATION
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Will the Minister of FINANCE be pleased to state:

(a) whether under the second phase of liberalisation, some Indian firms have acquired major share in foreign firms;

(b) if so, the details thereof and the sectors in which investments made;

(c) whether the procedure and rules regulating repatriation of profits and dividends has been reviewed and fine tuned under the new law (FEMA); and

(d) if so, the decisions taken in the light thereof ?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) Yes, Sir. According to the information furnished by Reserve Bankof India, during the period from 1st January 2000 till 31st July, 2000, 26 approvals have been issued to Indian companies for overseas acquisitions where the Indian stake in the foreign firm is 50% or more, as per details furnished in the Annexure.

(c) & (d) Yes, Sir. The condition of foreign exchange neutrality of the overseas investment within 5 years was dispensed with in May, 1999. Further, under the FEMA regulations, Indian promoter companies have been requiredto repatriate to India all dues receivable from the foreign entity like dividend, royalty, technical fees, etc. within 60 days of their falling due, or such further period as RBI may permit.

ANNEXURE

List of approvals for overseas acquisition where Indian stake In the foreign firm is 50% or more (from 01/01/2000 to 31/07/2000)

(Amount in US$ million)

S.No.	Indian Promoter	Date of approval	Country	Equity	Loan	Guarantee	%	Activity
1	Wockhardt Ltd.	8.5/2000	USA	50	20	0	100	Drugs & Pharmaceuticals
2	Strides Acrolab Ltd.	5/1/2000	USA	8.01	0	4.02	100	Drugs & Pharmaceuticals
3	Jenson & Nicholson (I) Ltd.	2/5/2000	Nepal	0.3973	0	0	95	Paints, Varnishes, polishes
4	Berger Paints India Ltd.	2/5/2000	Nepal	0.6879	0.290	0	100	Paints, varnishes, polishes
5	Teamasia Semicondoctors Ltd.	8/5/2000	Mauritius	6.4800	0	0	100	Electronic Equipments
6	Real Time Holdings Ltd.	20.5.2000	USA	0.4950	0	0	51.95	Telecomm. equipments
7	Goa Carbons Ltd.	31/1/2000	Mauritius	0.0300	0	0	100	Petroleum products
8	System America (I) Pvt. Ltd.	4/5/2000	Canada	0.1833	0	0	100	Software dev. services
9	Arasan International Pvt. Ltd	6/5/2000	USA	0.2735	0	0	100	Software dev. services
10	BFL Software Ltd.	8/6/2000	USA	168.028	0	0	100	Software dev. services
11	Synergy Log-in Systems Ltd.	20/5/2000	Singapore	0.4370	0	0	100	Software dev. services
12	Ind-Telesoft Pvt.Ltd.	18/1/2000	USA	4.01	0	0	100	Software dev. servives
13	Subex Systems Ltd.	6/1/2000	USA	6.713	0	0	100	Software dev. services
14	Ind-Telesoft Pvt. Ltd.	18/1/2000	USA	0.074	0	0	100	Software dev. services
15	GE Indian Services Holding Pvt. Ltd.	22/3/2000	Mauritius	0.0001	0	0	100	Software dev. services
16	Shriram Global Technologies Ltd.	6/7/2000	BV Island	0.500	0	0	100	Software dev.services
17	Boston Management Consultants Pvt. Ltd.	26/7/2000	USA	0.300	0	0	100	Software dev. services
18	Leading Edge Systems Ltd.	31/3/2000	Bermuda	139.397	0	0	100	Software dev. services
19	Genesys Technology Ltd.	4/1/2000	USA	0.100	0	0	100	Software dev. services
20	Rave Technologies (P) Ltd	14/6/2000	U.K	1.5897	0	0	100	Software dev.services
21	KLG Systels Ltd.	13/5/2000	USA	10.515	0	0	100	Software dev.services
22	Zee Telefilms Ltd.	24/2/2000	BV Island	212.180	0	0	50	Broadcasting & telecasting
23	Modi Entertainment Network Ltd	10/4/2000	Mauritius	0.102	0	0	100	Broadcasting & relecasting

24	Maersk India Ltd.	10/4/2000	Nepal	0.0103	0	0	95 Shipping Agents
25	Dataline Transcription Pvt. Ltd.	26/7/2000	USA	0.105	0	0	100 Medical Transcription Services
26	Tata Tea Ltd.	6/3/2000	UK	101.6924	0	0	86.11 Tea